

*Northern
Telephone
Limited*

62ND
ANNUAL
REPORT

1966



DIRECTORS



D. MCKELVIE
New Liskeard, Ont.



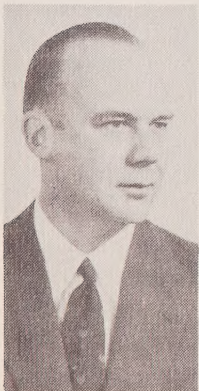
R. A. H. TAYLOR
New Liskeard, Ont.



D. S. BEATTY
Toronto, Ont.



C. DUHAMEL
Quebec, Que.



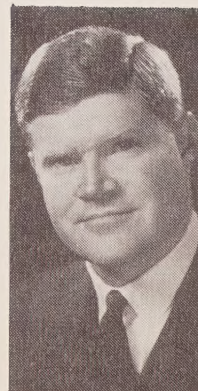
R. T. HUTCHINSON
New Liskeard, Ont.



W. R. RAMSAY
New Liskeard, Ont.



G. C. STEWART
Toronto, Ont.



J. C. THACKRAY
Ottawa, Ont.



L. L. WOODS
New Liskeard, Ont.

David S. Beatty
Claude Duhamel
Rowan T. Hutchinson
Donald McKelvie
W. Ralph Ramsay
George C. Stewart
Richard A. H. Taylor
James C. Thackray
Lorne L. Woods

APR - 7 1967

SIXTY - SECOND

ANNUAL REPORT

NORTHERN TELEPHONE LIMITED

DRAWER 450, NEW LISKEARD, ONT

Year Ended December 31, 1966



*Vous pouvez obtenir une version
française de ce rapport en écrivant:
au Secrétaire,
Téléphone du Nord Limitée
New Liskeard, Ontario*

OFFICERS and DEPARTMENT HEADS

DONALD McKELVIE
President

RICHARD A. H. TAYLOR
Vice-president

COLIN A. STEVENS
Secretary-Treasurer

MURRAY COOPER
General Manager

NORMAN E. CURRIE
*Asst. General Manager
Operations*

ROY B. BARNARD
Commercial Manager

ALPHONSE PICHE
*Manager
Quebec Operations*

J. ROSAIRE LEVESQUE
*Manager
Quebec Subsidiaries*

RONALD GIBBINS
Chief Engineer

TRANSFER AGENTS

CROWN TRUST COMPANY,
Toronto, Montreal and Winnipeg

TRUSTEES

CANADA PERMANENT TRUST COMPANY,
Toronto and Montreal

AUDITORS

KEMP & KEMP,
Chartered Accountants,
New Liskeard, Ontario

BANKERS

CANADIAN IMPERIAL BANK OF COMMERCE,
New Liskeard, Ontario



THE DIRECTORS' REPORT TO THE SHAREHOLDERS



Your Directors submit herewith the 62nd Annual Report to Shareholders for the calendar year 1966. Gross revenues showed an increase of approximately 13% over the previous year, and expenses showed an increase of approximately 15%. Net income before dividends showed a slight decrease. Earnings per share amounted to 40 cents, based on the average number of common shares outstanding during the year. Dividends totalling 24 cents were paid during the year on the common stock.

It should be pointed out that in 1966 the Company adopted the method of recording as deferred credits, the reductions in current income taxes payable resulting from claiming for tax purposes, the excess of capital cost allowances over the amount of recorded depreciation. This method, regarded as preferable by most accounting authorities, is explained in Note 6 accompanying the Balance Sheet. This change has the effect of decreasing the net income as previously calculated, with similar effect on the earnings per share. Using our previous accounting method, the earnings for 1966 would have amounted to 53 cents per common share.

Further capital financing was undertaken by your Company in 1966; \$3,000,000 5 1/4% par value \$20, convertible preference shares were issued. It is anticipated that a rights offering to common shareholders for approximately \$2,000,000 will be made early in 1967. Further debt financing may be carried out later in the year.

Our capital budget for 1967 is the largest in our history. Included in the capital budget is the provision of considerable funds for defence projects. In addition to this, as of January 26th, 1967, we completed the purchase of all outstanding common shares of La Sarre Telephone Inc. We continue to have heavy demands made on us for all communications services in our expanding economy and territories.

As previously reported, in June 1966 The Bell Telephone Company of Canada made an offer to our shareholders to purchase all common shares offered at \$14.00 per share. Your directors recommended the acceptance of this offer, and as of December 31st, 1966, Bell owned approximately 97% of the outstanding common shares. Your Company is now being operated as a subsidiary of The Bell Telephone Company of Canada, under the same management as before.

During the year, your Company applied to The Ontario Telephone Service Commission for permission to apply rates consistent with other rates generally in effect within the province. This application was approved in August, 1966. Later in the year, a similar application was made to The Public Service Board in the Province of Quebec, and this application is still pending.

Early in 1966, we negotiated a new traffic agreement with The Ontario Northland Transportation Commission covering interchange of traffic in Ontario. Our negotiations with the same body concerning traffic interchanged in the Province of Quebec are still under way, and we would hope to have these concluded in the not too distant future.

The capital work load, in 1966, was very heavy. Amongst many other items, it involved the construction of two major microwave systems, a large building program at various points, and the extension of other buildings to increase dial capacity. In 1967 a large program of dial conversions and additions to dial plant is being provided.

As reported herein, we are being asked to provide considerable amounts of equipment for defence projects. As you know, our capital investment is protected on such business. However, it is not expected that this will be reflected in our 1967 revenues to any large extent.

While in most respects the economy of the regions in which we serve may be considered as being buoyant, some soft spots are appearing. For instance, while our toll business continues to increase, the percentage increase is not as large as in most recent years. It is also disturbing to see the danger signs of a spiralling inflation appearing, especially in the matter of equipment costs and wages. It is obvious that utilities must operate with a high degree of efficiency to balance these advancing costs, if present rates to the public are to be maintained.

The major industries in our territories, namely mining, lumbering, pulp and paper, tourism, agriculture and the generating of electricity, continue to advance. Post-secondary education is also a growing industry in the North, and is providing numerous teaching positions, and more opportunities for our young people. These industries continue to push our frontiers in a northerly direction, and your Company is proud and happy to provide service to them.

In January, 1967, Mr. Murray W. Cooper was appointed General Manager of the Company. After graduation in Business Administration in 1956, he gained considerable experience in the telecommunications operating field, and joined the Company in 1964. Because of the increasing size and volume of your Company's operations, it was felt that the positions of President and General Manager should be split.

During the year there was one change in the Board of Directors. Due to the pressure of other commitments Mr. Z. H. Krupski resigned from the Board and was replaced by Mr. J. C. Thackray, Vice-President and General Manager, Central Area, The Bell Telephone Company of Canada. We wish to record our appreciation of Mr. Krupski's valued services to the Company.

We extend our sincere appreciation to management, staff and employees for their loyalty and continuing efforts on behalf of your Company. We continue to have a good measure of success in recruiting and training capable and ambitious young people.

Respectfully submitted on behalf of the Board.

D. McKELVIE,
President.

New Liskeard, Ontario.
February 1st, 1967.

Highlights of the Report

FINANCIAL RESULTS

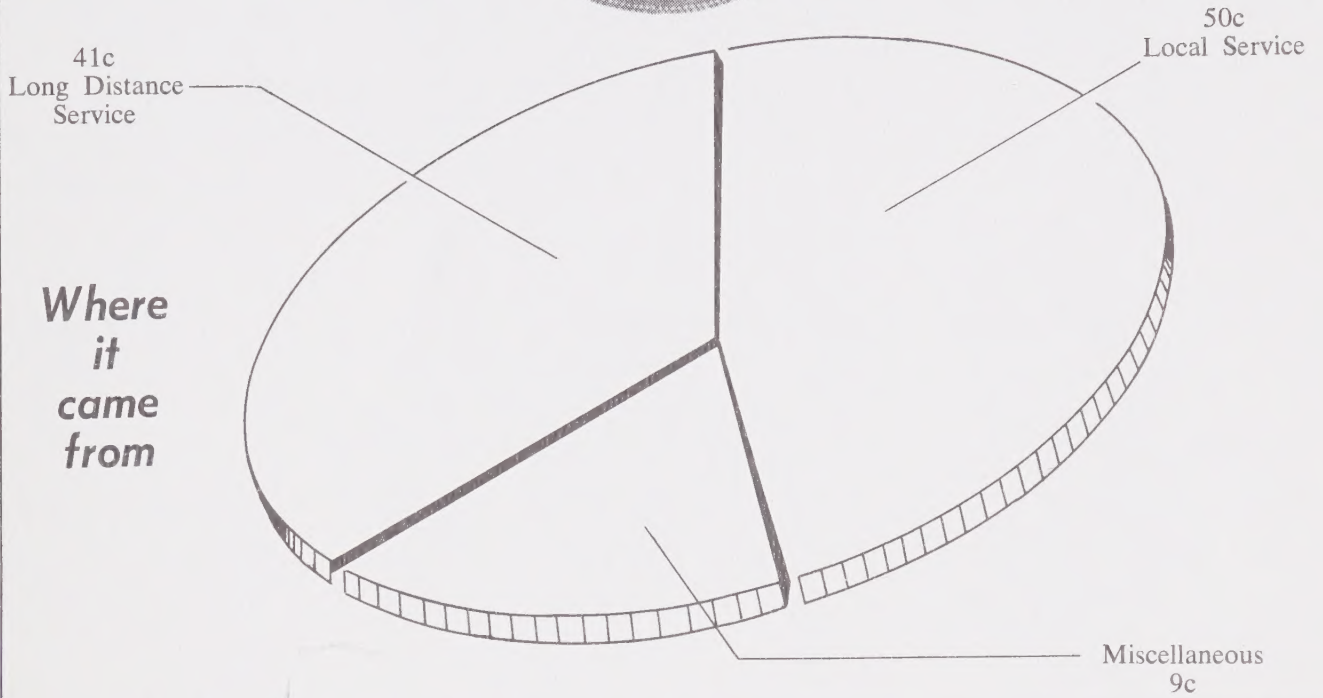
	1966	1965
Total Operating Revenue	\$ 8,868,056	\$ 7,856,925
Operating and General Expenses	4,500,138	3,915,589
Debenture Interest and Discount	654,406	662,721
Depreciation	1,722,747	1,452,623
Income Taxes	814,726	722,948
Net Income	1,141,668	1,160,179
Dividends - Preference	361,154	293,480
Dividends - Common	473,671	448,836
Earnings per common share	40.0	46.4

BALANCE SHEET

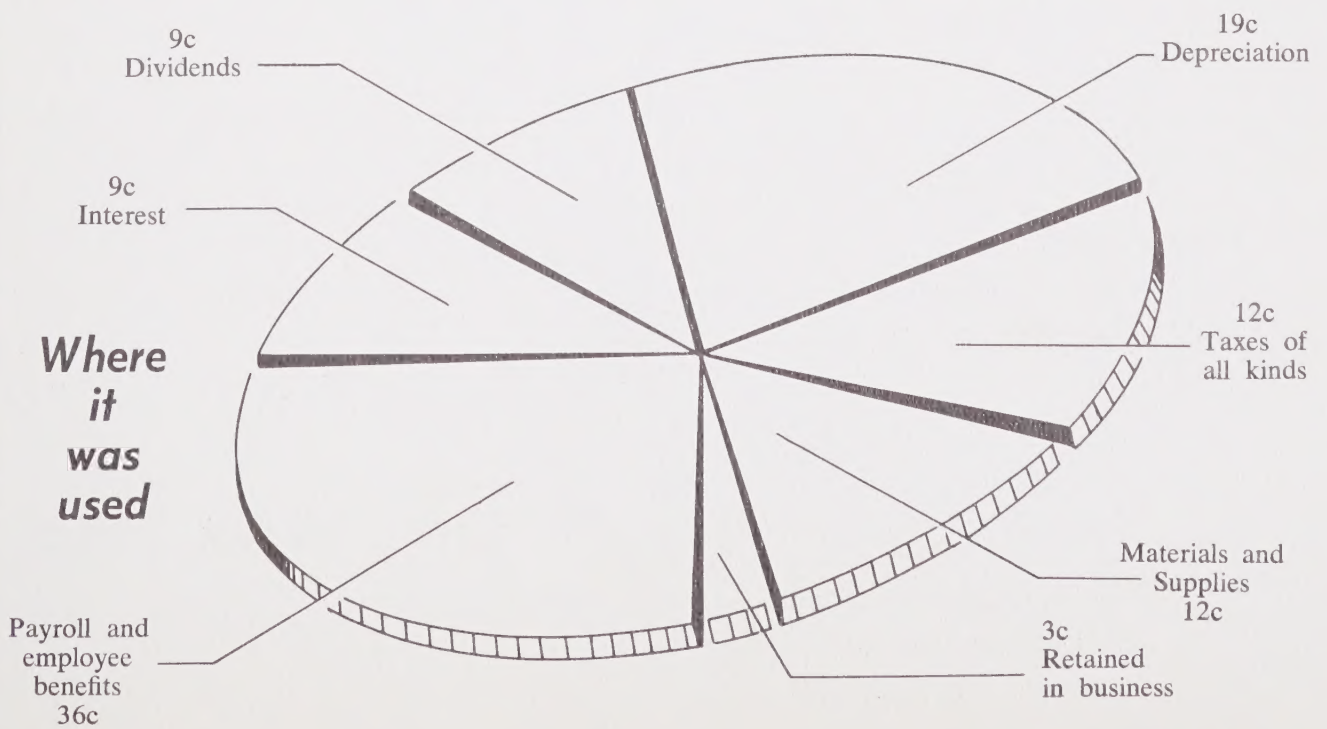
Gross Fixed Assets	\$41,708,885	\$36,062,388
Net Fixed Assets	29,980,665	25,849,376
Accumulated depreciation	11,728,220	10,213,012
Long term debt	11,462,500	11,595,000
Shareholders' Equity	18,900,110	15,319,698

ADDITIONAL STATISTICS

Telephones in service	85,705	81,348
Percent dial operated	91.8	89.2
Number long distance calls	4,432,847	4,113,808
Number of Central Offices	108	109
Number of employees at December 31st	875	748
Number of shareholders	2,984	5,514



THE 1966 REVENUE DOLLAR



ASSETS

	1966	1965
TELEPHONE PROPERTY		
Land, buildings, plant and equipment - at cost	\$41,708,885	\$36,062,388
Deduct: Accumulated depreciation	11,728,220	10,213,012
	<u>29,980,665</u>	<u>25,849,376</u>
 Excess of purchase price over book value of subsidiary companies	 <u>3,071,577</u>	 <u>3,050,616</u>
 INVESTMENTS		
Sundry investments - at cost	8,875	8,875
Special refundable corporation tax	81,936	—
	<u>90,811</u>	<u>8,875</u>
 CURRENT ASSETS		
Cash	32,320	—
Accounts receivable	2,370,220	1,514,540
Materials and supplies - at cost	927,347	673,122
Prepayments	107,718	114,626
	<u>3,437,605</u>	<u>2,302,288</u>
 DEFERRED CHARGES		
Unamortized discount and expense on Long Term Debt	255,521	273,771
Incorporation and franchises	—	101,622
	<u>255,521</u>	<u>375,393</u>
 TOTAL ASSETS	 <u><u>\$36,836,179</u></u>	 <u><u>\$31,586,548</u></u>

Signed on behalf of the Board of Directors:

D. MCKELVIE, *Director*

R. A. H. TAYLOR, *Director*

ONE LIMITED
BALANCE SHEET
ECEMBER
ry companies)

LIABILITIES

	1966	1965
SHAREHOLDERS' EQUITY		
Capital Stock		
Preference (Note 3)	\$ 7,572,200	\$ 5,344,460
Common (Notes 4, 5 and 9)	8,422,313	7,153,353
Retained Earnings	2,905,597	2,821,885
	<u>18,900,110</u>	<u>15,319,698</u>
 LONG TERM DEBT (Note 2)	 <u>11,462,500</u>	 <u>11,595,000</u>
 CURRENT LIABILITIES:		
Bank loan - unsecured	4,150,000	2,350,000
Bank overdraft - unsecured	168,395	51,408
Accounts payable	1,178,452	1,173,535
Debentures due in following year, less purchased to date .	100,500	85,500
Dividend payable	222,085	112,413
Taxes accrued	75,769	355,440
Interest accrued	69,794	71,290
	<u>5,964,995</u>	<u>4,199,586</u>
 DEFERRED CREDITS		
Income tax (Note 6)	421,255	163,232
Employees' Stock Plan	87,319	26,750
	<u>508,574</u>	<u>189,982</u>
 Minority Interest - Abitibi Telephone Inc.		282,282
 TOTAL LIABILITIES	 <u><u>\$36,836,179</u></u>	 <u><u>\$31,586,548</u></u>

The accompanying notes to Consolidated Financial Statements are an integral part of this Statement.

NORTHERN TELEPHONE LIMITED
CONSOLIDATED INCOME STATEMENT

(including subsidiary companies)

For the Years Ending 31st December, 1966 and 1965

	1966	1965
OPERATING REVENUES		
Local Service	\$ 4,399,534	\$ 3,993,970
Long distance service	3,605,769	3,012,167
Miscellaneous	862,753	850,788
	<u>8,868,056</u>	<u>7,856,925</u>
OPERATING EXPENSES		
Maintenance	2,112,194	1,904,116
Depreciation	1,722,747	1,452,623
Traffic	896,599	748,500
Marketing and commercial	510,722	460,049
Other	980,623	802,924
	<u>6,222,885</u>	<u>5,368,212</u>
Net Operating Revenues	<u>2,645,171</u>	<u>2,488,713</u>
OPERATING TAXES		
Income taxes (Note 6)	814,726	722,948
Other taxes	239,161	210,967
	<u>1,053,887</u>	<u>933,915</u>
Operating Income	<u>1,591,284</u>	<u>1,554,798</u>
OTHER INCOME		
Miscellaneous	395,558	358,220
Total Income before Interest Charges	<u>1,986,842</u>	<u>1,913,018</u>
INTEREST CHARGES		
Interest on long term debt	636,156	644,472
Other interest	190,768	90,118
Amortization of discount, premium and expense on long term debt	18,250	18,249
	<u>845,174</u>	<u>752,839</u>
Net Income For The Year	<u>\$ 1,141,668</u>	<u>\$ 1,160,179</u>

The accompanying notes to Consolidated Financial Statements are an integral part of this Statement.

NORTHERN TELEPHONE LIMITED

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the Years Ending 31st December, 1966 and 1965

	1966	1965
BALANCE AT BEGINNING OF YEAR	\$ 2,821,885	\$ 2,332,056
<i>Add:</i> Net Income for year	1,141,668	1,160,179
Surplus arising from sale of assets and profit on bond redemptions		
- prior years		59,097
- current year	5,973	12,238
Income tax refunds - prior years - re capitalization of portion of interest and overhead	—	631
	<u>3,969,526</u>	<u>3,564,201</u>
<i>Deduct:</i>		
Adjustment of earnings — prior years — re toll settlement, after deducting applicable income tax credit	52,482	—
Incorporation expense written off	101,622	—
Commission on sale of preference shares	75,000	—
Dividends - Preference	361,154	293,480
- Common	473,671	448,836
	<u>1,063,929</u>	<u>742,316</u>
BALANCE AT END OF YEAR	<u>\$ 2,905,597</u>	<u>\$ 2,821,885</u>

NORTHERN TELEPHONE LIMITED

Consolidated Statement of Source and Application of Funds

For the Year Ending 31st December, 1966

	1966	1965
SOURCE OF FUNDS		
Operations:		
Net Income for the year	\$ 1,141,668	\$ 1,160,179
<i>Add:</i> Depreciation	1,722,747	1,452,623
	<u>2,864,415</u>	<u>2,612,802</u>
Proceeds from Stock Issue - Preference	3,000,000	—
- Common	448,907	—
Proceeds from Employees' Stock Plan	47,793	83,358
Increase in Deferred Credits	318,592	—
Decrease in Working Capital	630,092	2,283,095
Miscellaneous items	5,973	249,142
	<u>\$ 7,315,772</u>	<u>\$ 5,228,397</u>
DISPOSITION OF FUNDS		
Construction Expenditures:		
Gross Construction Expenditures	6,077,290	5,142,283
<i>Deduct:</i> Charges to construction not requiring an outlay of funds	240,703	867,702
	<u>5,836,587</u>	<u>4,274,581</u>
Dividends - Preference	361,154	293,480
- Common	473,671	448,836
Redemption of debentures	132,500	211,500
Acquisition of Balance of Shares in Abitibi Telephone Inc.	302,442	—
Commission on Sale of Preference Shares	75,000	—
Special Refundable Corporation Tax	81,936	—
Miscellaneous items	52,482	—
	<u>\$ 7,315,772</u>	<u>\$ 5,228,397</u>

NORTHERN TELEPHONE LIMITED

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 1966

NOTE 1. Principles of Consolidation:

The accounts of the subsidiary companies, all of which are wholly owned, have been consolidated with those of the parent company, Northern Telephone Limited. These subsidiaries are:

Northern Quebec Telephone Limited
Algoma Central Telephone Company Limited
Blais Telephone Inc.
Abitibi Telephone Inc.

NOTE 2. Details of Long Term Debt as at December 31, 1966:

(after deducting sinking fund requirements due in 1967 and shown in current liabilities)

4½% Series A, due 1971	\$ 420,000
4 % Series B, due 1975	880,000
5¼% Series C, due 1978	1,592,500
6 % Series D, due 1981	1,870,000
5½% Series E, due 1981	1,880,000
5¾% Series F, due 1983	2,880,000
5⅝% Series G, due 1984	1,940,000
	<u>\$11,462,500</u>

\$11,462,500

NOTE 3. Details of preference shares at December 31, 1966:

Authorized - with a par value of \$20.00 each issuable in series

First Preference - 500,000 shares	\$10,000,000
Second Preference - 250,000 shares	\$ 5,000,000
Deduct: Redeemed 121,390 shares	2,427,800
128,610	2,572,200
	<u>\$12,572,200</u>

Issued - FIRST PREFERENCE

75,000 5½% cumulative redeemable preference shares - Series "A"	\$ 1,500,000
50,000 5½% cumulative redeemable preference shares - Series "B"	1,060,000
100,000 5½% cumulative redeemable preference shares - Series "C"	2,000,000
25,000 5½% cumulative redeemable preference shares - Series "D"	500,000

SECOND PREFERENCE

7,903 5% cumulative, redeemable, convertible, preference shares - Series "A"	158,060
120,707 5¼% cumulative, redeemable, convertible, preference shares - Series "B"	2,414,140
Total outstanding preference shares	<u>\$ 7,572,200</u>

\$ 7,572,200

NOTE 4. 50,000 common shares of the capital stock of the Company have been reserved for an Employee Stock Purchase Plan. As at December 31, 27,734 shares had been allotted and issued under the plan, leaving a balance of 22,266 shares still reserved.

NOTE 5. The following is a summary of the common shares issued during the year ended December 31, 1966:

	Number of Shares	Consideration
Balance, January 1, 1966	1,873,559	\$ 7,153,353
Issued:		
For shares of Abitibi Telephone Inc.	43,206	302,442
For cash - employees' stock purchase plan	5,234	47,793
On conversion of convertible preference shares to common	72,566	918,725
	<u>1,994,565</u>	<u>\$ 8,422,313</u>

- NOTE 6.** During the current year the company adopted the "Deferred Income Tax" method of recording tax savings resulting from the excess of capital cost allowance claimed for income tax purposes over recorded depreciation. The amount of deferral applicable to the current year is \$258,023. If the company had used the deferred tax method in 1965 the provision for income tax in that year would have been \$794,488 instead of \$722,948. If the company had used the "Deferred Tax Method" for the years prior to the current year, accumulated tax savings to December 31, 1965 would have been \$1,278,022.
- NOTE 7.** Interest and overhead charges totalling \$395,174 have been added to fixed assets in the company's accounts during the year but have been claimed as expenses for income tax purposes.
- NOTE 8.** Depreciation has been charged in the accounts at rates designed to spread this loss uniformly over the life of the property.
Debenture discount and commission expense incurred on the issue of debentures is being amortized over the life of the debentures.
- NOTE 9. Conversion Privileges - Second Preference Shares**
Series "A" - These shares are convertible at the option of the holder up to December 1, 1967, at the rate of one and one-half common shares for each Second Preference share, Series "A" converted. As at December 31, 1966, 92,097 shares had been converted into common shares leaving a balance of 7,903 preference shares which may be converted.
Series "B" - In June, 1966, 150,000 5¼% cumulative redeemable convertible second preference shares, Series "B", were issued, with a par value of \$20.00 each. These shares are convertible at the option of the holder up to December 1, 1971, at the rate of two common shares for each Series "B", Second Preference share together with simultaneous payment of \$5.00 to close of business June 1, 1969, and thereafter at \$8.00 to December 1, 1971. As at December 31, 1966, 29,293 shares had been converted into 58,586 common shares leaving a balance of 120,707 preference shares which may be converted.
- NOTE 10. Re: La Sarre Telephone Inc.**
On January 26, 1967, Northern Telephone Limited purchased all the outstanding shares of La Sarre Telephone Inc. for a price of \$2,033,500 cash. This transaction is not reflected in the financial statements at December 31, 1966.
- NOTE 11. Income Tax**
The company's income tax returns for the years 1962 to 1965 are being reviewed by the assessment branch with a view to disallowing as an expense a portion of the interest charges paid by the company in those years. No assessment has been received to this date and we are unable to state at this time whether any tax liability will arise.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF
NORTHERN TELEPHONE LIMITED:

We have examined the consolidated balance sheet of NORTHERN TELEPHONE LIMITED as at December 31, 1966 and the consolidated income statement, statement of retained earnings and statement of source and application of funds for the year ended on that date. Our examination of the financial statements of Northern Telephone Limited and the subsidiary of which we are auditors, included a general review of the accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditor who has examined the financial statements of the other subsidiaries.

In our opinion the accompanying consolidated balance sheet and consolidated income statement and statement of retained earnings and statement of source and application of funds when read in conjunction with the notes appended thereto, present fairly on a consolidated basis the position of the companies as at December 31, 1966 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, with the exception of the change in the method of calculating the current income tax provision as outlined in Note 6, of which we approve.

New Liskeard, Ontario
February 2, 1967

KEMP & KEMP,
Chartered Accountants



STATISTICS

(Including)

	1966	1965	1964	1963
NUMBER OF TELEPHONES	85,705	81,348	77,498	71,681
Business	26,836	25,367	24,115	22,039
Residence	58,869	55,981	53,383	49,642
Percentage Residence of Total	68.5	68.8	68.8	69.3
Percentage Dial of Total	91.8	89.2	84.4	82.8
NUMBER OF CENTRAL OFFICES	108	109	103	91
MILES OF POLE LINES	3,914	3,825	3,752	3,259
MILES OF WIRE	251,304	235,834	215,023	200,648
LONG DISTANCE CALLS	4,432,847	4,113,808	3,306,631	3,119,205
Company Lines	2,137,615	1,927,245	1,552,586	1,460,572
Connecting Companies' Lines	2,295,232	2,186,563	1,754,045	1,658,633
TOTAL INVESTMENT PLANT & EQUIP.*	\$41,708,885	\$36,062,388	\$32,572,672	\$27,336,419
Plant & Equip. Less Dep.	\$29,980,665	\$25,849,376	\$23,212,665	\$19,471,665
OPERATING REVENUES	\$ 8,868,056	\$ 7,856,925	\$ 6,746,203	\$ 6,364,850
NUMBER OF EMPLOYEES				
Men	486	503	393	313
Women	389	245	357	336
Total Employees	875	748	750	649
TOTAL PAYROLL				
(Operations)	\$ 2,987,855	\$ 2,411,478	\$ 2,088,215	\$ 1,894,873
NUMBER OF SHAREHOLDERS				
In Canada	2,890	5,228	4,934	4,604
Elsewhere	94	286	300	403
Total Shareholders	2,984	5,514	5,234	5,007

*ADJUSTED — Excess of purchase price over book value of subsidiary companies formerly included in assets now shown separately on balance sheet.

1957 - 1966



(subsidiaries)

1962	1961	1960	1959	1958	1957
67,066	63,625	54,457	50,375	48,817	46,711
20,610	19,386	16,190	14,791	14,016	12,619
46,456	44,239	38,267	35,584	34,801	34,092
69.3	69.5	70.3	70.6	71.3	72.9
78.0	77	70.7	65.9	42.9	30.7
84	74	61	48	48	46
3,050	2,852	2,160	2,076	2,014	1,927
188,808	160,722	129,854	113,462	98,980	90,679
2,790,736	2,527,267	2,073,152	2,196,978	2,165,654	2,060,056
1,407,856	1,288,112	1,030,591	1,227,046	1,213,335	1,000,002
1,382,880	1,239,155	1,042,561	969,932	952,319	1,060,054
24,336,419	\$20,043,411	\$14,181,328	\$12,133,732	\$10,137,503	\$ 8,460,757
17,927,815	\$14,310,955	\$ 9,969,919	\$ 8,575,482	\$ 7,094,246	\$ 5,857,657
5,322,034	\$ 4,505,493	\$ 3,674,805	\$ 3,177,328	\$ 2,865,935	\$ 2,716,307
319	282	194	203	208	184
317	315	274	324	327	364
636	597	468	527	535	548
1,602,358	\$ 1,416,262	\$ 1,286,450	\$ 1,281,712	\$ 1,212,305	\$ 1,137,618
4,156	3,881	2,665	2,652	1,731	1,570
398	346	191	64	59	26
4,554	4,227	2,856	2,716	1,790	1,596

EDUCATION IN THE NORTH

It has long been recognized that the modern world presents an ever-changing pattern of employment and that an ever-rising level of skills is needed to meet these new conditions. The governments of both the provinces in which your Company serves have clearly foreseen this trend and have taken steps to meet the challenge.

Rapid growth in enrolment in secondary schools has necessitated the building of numerous high schools, with the tendency being towards large units in centralized locations. However the exciting change that is taking place in education insofar as the north is concerned is the start being made in supplying the need for post-secondary school training. This area of schooling in the north was almost completely lacking until recently, so that those pupils wishing to attend institutions of learning beyond the high school level were forced to go outside the north country to do so.

Now however the post-secondary level of training is being taken care of by the establishment of Colleges of Applied Arts and Technology that will provide the students who do not wish to take full university training, with courses of types and levels beyond or not suited for the secondary school setting. These courses are geared to the needs of the north country in general and of the local communities in particular. They will train engineering technicians in various fields (e.g. mining) to equip them for technical occupations in industry. Semi-professional non-engineering type programmes will be offered as well as high level programmes in office and distributive occupations of junior and middle management level. In addition to these there are many other options too numerous to outline in this short article.

The Provincial Institute of Mining in Haileybury has been in operation for some years and has become world famous. This school is being enlarged and the curriculum expanded.

Laurentian University in Sudbury, established within the last few years, is now filling a long felt need and is expanding rapidly.

Northern Ontario Institute of Technology at Kirkland Lake has in a few short years gained an enviable reputation and its facilities are also due to be increased shortly.

On the back cover are pictures showing some of the pupils who are attending one of these new schools. These pictures give a graphic view of the type of training they are receiving.

The facing page shows the new school at La Sarre, Quebec. This seven million dollar Lalonde Regional School at La Sarre will provide accommodation for 2,250 pupils, up to and including grade 12, and will serve the rich agricultural and mining area surrounding that community. Numerous technical subjects will be taught in addition to the usual academic curriculum.

The people of the north can be proud of these new institutions and they feel that a great step forward has been taken towards providing the educational opportunities formerly lacking, and stemming the flow to other fields of our bright young minds.

